

HA 4361

OCA 88-2900  
30 August 1988

MEMORANDUM FOR: Director of Personnel

FROM: [REDACTED] Congressional Affairs

SUBJECT: S.2695: Civil Service Retirees' Interest on  
Delayed Payments Act and H.R.: Civil Service  
Annuity Prompt Payment Act.

1. Following a conversation with [REDACTED] C/EBS, about the concerns OP had with subject bills as outlined in the attached paper, I contacted the Senate Subcommittee on Federal Services, Post Office and Civil Service and the House Subcommittee on Compensation and Benefits. I was able to determine that there is some possibility that action will be taken during this Congressional session in both the House and Senate to penalize delays in the annuity payments.

2. Because of possible classification problems, I did not elaborate on Agency problems with either staff but suggested that in some cases we would be limited in our ability to meet the deadlines specified in bills. [REDACTED]

[REDACTED] The Senate staffer said that they would need more information which I indicated we would have to get to them through the SSCI staff. The House staffers advised that we better have a strong case. The bill was designed to force all agencies to become more timely in the payment of annuities.

3. I subsequently spoke with a staffer on the SSCI and briefly explained our problems, offering to have someone brief in greater detail. The staffer asked several questions about the deadlines imposed by the bills and why we would not be able to meet the time constraints. It was clear from the discussion that the staffer was not favorably impressed with our argument. [REDACTED]

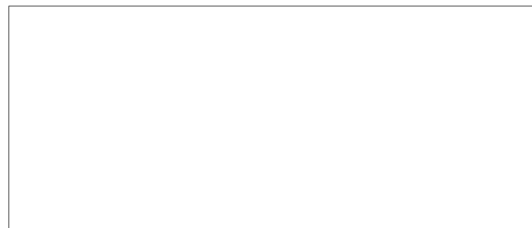
[REDACTED]


4. Our case is not dead. I can take it up with other SSCI

ADMINISTRATIVE/INTERNAL USE ONLY

staffers or move over and work the House. However, having been forced to make the agument, I have concluded that we do not have a strong case. I recommend, therefore, that we drop it. If you disagree I am prepared to continue. Please advise soonest. We do have much time if the bill(s) start to move.

STAT



cc: DDA w/ att.  
DD/EB&S w/ att.  
OCA/LD-- no att.

STAT

ADMINISTRATIVE/INTERNAL USE ONLY

~~CONFIDENTIAL~~

24 August 1988

25X1 MEMORANDUM FOR: [REDACTED]

Office of Congressional Affairs

25X1 FROM: [REDACTED]

Chief, Retirement Operations Branch/PD

SUBJECT: S. 2695 - "Civil Service Retirees' Interest on Delayed Payment Act"

1. The proposed legislation (attached) presents the same concerns as we expressed in regard to the House Version (H.R. 4361) which are outlined in paragraph 3.

2. There is a significant difference between the House and Senate version. The House version placed a 90 day timeframe on all types of annuity payments. However, the Senate version places a 75 day timeframe for optional retirements and a 45 day period for survivor and deferred annuities. The rest of the bill is virtually identical to the House version.

3. The areas of concern are as follows:

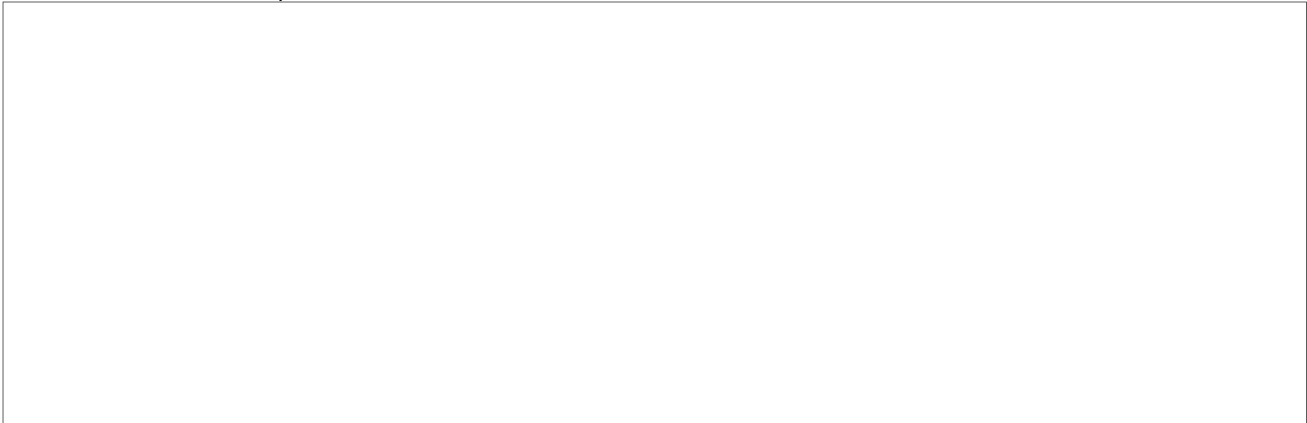
25X1

~~CONFIDENTIAL~~

C O N F I D E N T I A L

SUBJECT: S. 2695 - "Civil Service Retirees' Interest on Delayed  
Payment Act"

STAT



STAT



Attachment

100TH CONGRESS  
2D SESSION

# H. R. 4361

To amend chapter 83 of title 5, United States Code, to provide that unless individuals who are entitled to civil service retirement benefits receive their initial annuity payments promptly, such individuals shall be entitled to receive interest on the delayed payments.

---

## IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 1988

Mr. RAY (for himself, Mr. BATEMAN, Mr. BENNETT, Mr. BEVILL, Mr. BIAGGI, Mr. BLAZ, Mrs. BOXER, Mr. CARDIN, Mr. CLAY, Mr. DEFazio, Mr. DE LUGO, Mr. DELLUMS, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. DYSON, Mr. ERDREICH, Mr. FASCELL, Mr. FAZIO, Mr. FROST, Mr. GONZALEZ, Mr. GRAY of Illinois, Mr. HANSEN, Mr. HORTON, Mr. JENKINS, Mr. JONES of North Carolina, Mr. LAGOMARSINO, Mr. LANCASTER, Mr. LEWIS of Georgia, Mr. MONTGOMERY, Mr. MURPHY, Mr. NICHOLS, Mr. OBERSTAR, Mr. OWENS of New York, Ms. PELOSI, Mr. PEPPER, Mr. PETRI, Mr. ROBINSON, Mr. SIKORSKI, Mr. SISISKY, Mr. SOLOMON, Mr. SUNIA, Mr. TAUKE, Mr. THOMAS of Georgia, Mr. WHITTEN, and Mr. YATES) introduced the following bill; which was referred to the Committee on Post Office and Civil Service

---

## A BILL

To amend chapter 83 of title 5, United States Code, to provide that unless individuals who are entitled to civil service retirement benefits receive their initial annuity payments promptly, such individuals shall be entitled to receive interest on the delayed payments.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the "Civil Service Annuity  
3 Prompt Payment Act".

4 **SEC. 2. RIGHT TO INTEREST.**

5       (a) **ANNUITANTS.**—Section 8345 of title 5, United  
6 States Code, is amended by inserting after subsection (e) the  
7 following:

8       “(f)(1) Any monthly annuity payments to which an em-  
9 ployee or Member is entitled under this subchapter based on  
10 the service of such employee or Member shall begin to be  
11 made within 90 days after—

12               “(A) the annuity’s commencement date, or

13               “(B) the date on which the Office receives a com-  
14 pleted application therefor,  
15 whichever is later.

16       “(2) If no monthly annuity payment is made within the  
17 90-day period referred to in paragraph (1), or if 1 or more  
18 monthly annuity payments are made within such period but  
19 the amount of the payment (or each such payment, if more  
20 than 1 payment is made during such period) is deficient, then  
21 interest on the initial underpayment of annuity (as defined in  
22 paragraph (4)(A)) shall be payable.

23       “(3) Interest under this subsection—

24               “(A) shall be payable in a lump sum;

25               “(B) shall be computed for the period beginning  
26 on the first business day of the first month beginning

1 after the date described in paragraph (1)(A) or (1)(B),  
2 whichever is later, and ending on the date on which  
3 the payment under this subsection is made;

4 “(C) shall be computed at the rate or rates in  
5 effect under section 6621(a)(1) of the Internal Revenue  
6 Code of 1986 (relating to the rate of interest on over-  
7 payments) during the period described in subparagraph  
8 (B);

9 “(D) shall be payable out of amounts otherwise  
10 available for operating expenses of the Office; and

11 “(E) shall be compounded daily.

12 “(4) For purposes of this subsection—

13 “(A) ‘initial underpayment of annuity’ means,  
14 based on the period between the commencement date  
15 of the annuity and the date on which full monthly an-  
16 nuity payments first begin to be made, the amount by  
17 which—

18 “(i) the total monthly annuity payments pay-  
19 able for such period (after any deductions or with-  
20 holdings permitted or required under law), ex-  
21 ceeds

22 “(ii) the total monthly annuity payments ac-  
23 tually paid for such period; and

24 “(B) an application for an annuity shall not be  
25 considered to be complete unless—

1                   “(i) it is filed on a permitted form; and

2                   “(ii) it contains such information, and is ac-  
3            panied by such documentation or supporting  
4            evidence, as the Office may by regulation require  
5            to permit verification of entitlement and mathe-  
6            matical determination of the amount of the annu-  
7            ity to which entitled.”.

8           (b) SURVIVOR ANNUITANTS.—Section 8341 of title 5,  
9   United States Code, is amended by adding at the end the  
10 following:

11           “(j) Monthly annuity payments payable to a survivor an-  
12 nuitant shall begin to be made within the same period of time  
13 as applies under the provisions of section 8345(f) of this title  
14 in the case of an annuitant, and the same right to interest as  
15 applies to an annuitant under those provisions shall apply  
16 with respect to survivor annuitants.”.

17   SEC. 3. EFFECTIVE DATE.

18           The amendments made by this Act shall take effect on  
19 the date of enactment of this Act, but shall not apply with  
20 respect to any annuitant or survivor annuitant if—

21           (1) the commencement date of the annuity or sur-  
22 vivor annuity to which the individual is entitled occurs  
23 before such date of enactment; or



5

1           (2) if later, the date on which the Office of Per-  
2       sonnel Management receives a completed application  
3       therefor occurs before such date of enactment.

○

**Page Denied**